

FOURTH DAY

Friday 2 September 2022

DRAFT HANSARD

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PARLIAMENTARY DEBATES
CORRECTIONS TO DAILY DRAFT HANSARD

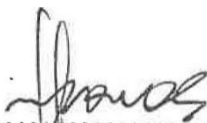
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HARRY MOMOS

Principal Parliamentary Reporter

FOURTH DAY

Friday 2 September 2022

The Deputy Speaker (**Mr Koni Iguan**) took the Chair at 10 a.m.

There being no quorum present, Mr Deputy Speaker stated that he would resume the Chair after the ringing of the Bells.

Sitting suspended.

The Speaker, (**Mr Job Pomat**) then took the Chair at 10.40 a.m., and invited the Governor for West New Britain, Honourable **Sasindran Muthuvel**, to say Prayers:

‘Oh, my Lord, can you not see us here, please forgive us for the sins that we have done. Please help us and guide us now. Please bless us all with love for you, so we remember you Lord as fit. Feeling your presence, and feeling your grace, feeling your radiance. You are our source, of faith and strength, you are our path and destination. And we are always connected to you, nothing offers and everything of you. Leaders higher, lead us deeper, lead us beyond and lead us to you, Amen’.

ACKNOWLEDGEMENT OF VISITORS – STATEMENT BY THE SPEAKER

Mr SPEAKER – Honourable Members, today we have visitors, people from Jiwaka are here with us in the Gallery. They have walked through the Kokoda Track and have arrived here. We also have visitors, people from Nuku electorate who are with us this morning.

On behalf of Parliament, I welcome you all as you observe Parliament sitting.

MOTION BY LEAVE

Mr RAINBO PAITA (Finschhafen - Minister for Finance and Implementation) – I ask leave of Parliament to move a motion without notice.

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

Motion (by **Mr Rainbo Paita**) agreed to –

That so much of the *Standing Orders* be suspended as would prevent the Minister for Treasury, presenting the *Supplementary Appropriation Bill 2022, Excise Tariff Supplementary Budget Amendment Bill 2022, Goods and Services Tax Supplementary Budget Amendment Bill 2022*.

02/04

SUPPLEMENTARY (APPROPRIATION) BILL 2022

First Reading

Bill presented by **Mr Ian Ling-Stuckey** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mr IAN LING-STUCKEY (Kavieng- Minister for Treasury) – I move

That the bill be now read a second time

Mr Speaker, I am honored to present the 2022 Supplementary Budget to this Parliament.

Treasurers bring Supplementary Budgets to Parliament, when there has been a significant change, in the budget outlook, such as a fall or increase in revenues, significantly different from initial forecasts, or if new policies require specific items of new spending.

In 2022, we have both. We have a major increase in net revenues, as well as the need for specific appropriations such as, K160 million for school project fee subsidies, announced as part of our Household Assistance Package. This is my fourth Supplementary Budget. It is framed in

what the IMF calls, the "gloomy and uncertain" outlook for the global economy. Fortunately, but also because we have made good fortune, PNG is doing much better economically, than many other countries

Mr Speaker, I presented a MYEFO update on our economy on Wednesday and to summarize, PNG is experiencing by far, its highest rate of growth, in the Kina size of our economy, in its history. There are inflationary pressures, but the K161 million Household Assistance Package, is helping to keep these under control, with inflation expected at a moderate 6.2 per cent down from a likely 9 or 10 per cent inflation

rate, without the government's actions and the 9.5 per cent average in other developing countries. But as highlighted in the comments on MYEFO, we must make sure, that the positive macro-economic news, does not blind us to the pain being faced by many families.

Mr Speaker, as outlined on Wednesday, we have had some big revenue pluses, driven by one-off events, especially the surge in oil prices. But we also know, that what goes up in the resource sector, must also come down. That is why, I agree so strongly with Prime Minister Marape, that our economic independence, depends on us diversifying our economy. We need to provide much more emphasis, on the agriculture sector, the down-stream processing of our logs and other goods, on building our tourism sector, to tap into PNG's globally unique and beautiful people and landscapes, on exploring options, for building a new service economy, including through labour mobility schemes. I also agree with comments by other leaders on Wednesday. That we need to examine closely, those areas where revenues are below what we expected, such as GST and Excise and non-tax revenues

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that we need to examine more closely, those areas where revenues are below what we expected, such as GST and Excise and other non-tax revenues, and then determine what can be done.

We have decided, to invest this additional tax revenue this year, mainly to help families and to repay outstanding arrears and commitments.

Expenditure Priorities

1. Household Assistance Package - Removal of all Fuel Taxes

In April, I set out a four-point K611 million Household Assistance Package. The largest component was the removal of taxes on retail fuel products. At an estimated cost of K250 million,

we entirely removed fuel taxes for six months. This means that we removed, the 61 toea per litre excise on petrol, and the 23 toea per litre excise on diesel, and the 2 toea per litre on zoom. In addition, we entirely removed the GST on retail fuel products.

For example, based on August fuel prices in Port Moresby, this meant that instead of a litre of petrol costing K4.89 per litre, we have removed 61 toea excise and 44 toea GST. This should bring the price down by 105 toea, or K1.05 to K3.84, a saving of 27 per cent.

I am pleased that the Marape-Rosso Government, has decided to extend this measure for a further 2 months, from 1 November to 31 December 2022. This is estimated to reduce revenues, by a further K83.3 million. I will put forward to the Parliament today, changes in the GST and Excise Tariff Acts, to implement this extra assistance. This is continued, practical assistance to help support families.

2. Household Assistance Package - Funding school project fees

A second, key component of the Household Assistance Package, was an agreement, for the Government to pay the 20 per cent school project fees, for all families around our country. This was seen as a practical measure, to get more kina into our household budgets, around the country. PNG does not have a formal social security system. Support for school fees and project fees, is probably the most practical option we have, to help families around the nation, deal with the cost of living pressures.

We initially estimated the cost at K126 million. The Department of Education, has now indicated, the total cost will be K160 million, This Supplementary Budget, provides the full K160 million in funds for this critical program.

I now expect the Department of Education, to urgently put in place, the processes for getting these funds out to schools and to households. I would have preferred, even an initial amount, had gone out earlier in the year but have been reassured, that the program will not be delayed any further. And if it is, then the Marape Government's focus, on Key Performance Indicators, will quickly bring those responsible to account.

3. Household Assistance Package - Personal Income Tax Cuts

Mr Speaker; I was pleased that from 1 June 2022, all wage earners paying tax, are receiving up to an extra K42.30, in their fortnightly pay packets. This is a significant gain to household pay packets. And for those still complaining about the additional profits tax on the banking sector

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that this is estimated to cost only 88 toea per fortnight, in lower superannuation returns, while you are getting an extra K42.30 per fortnight, in these personal income tax cuts. This measure was costed at K135 million. Extraordinarily, these tax cuts have not, been implemented by all employers. The largest employer, that has failed to pass on these tax cuts is extraordinarily, the government itself! For some reason, the tax cuts have not been processed, through the ALESCO pay system.

The lesson from this, is that we need to be very careful, in introducing changes to taxes. There are real administrative issues, that must be overcome.

As part of our considerations for a Supplementary Budget, and let me be very frank here, the NEC agreed to lift the tax-free threshold from K17,500 to K20,000, providing up to another K21.15 per fortnight to taxpayers. An extra K60 million was provided for this change. We had hoped this change could be introduced from 1 October or 1 November.

However, we have received very strong advice, from the IRC, that it would be better to delay implementation to 1 January 2023. This would allow the change to be implemented, as part of an annual tax schedule, and would avoid having three different thresholds in the one year. After careful consideration, we have agreed to defer these tax cuts, until 1 January 2023. The exact length of these additional tax cuts, will be considered, as part of the 2023 budget. The existing tax cuts of K42.30 per fortnight, will continue for the remainder of the year,

4. Household Assistance Package - Lowering prices of key household commodities

In April we announced, that arrangements would be made by IRC with local firms, whereby firms would lower costs on key items, such as flour, tinned fish, rice and ox and palm, and in return, they would be granted an equivalent reduction in taxes. Unfortunately, this measure is still waiting to be implemented. IRC have just informed us, that the change will require some additional legislation, in October, to implement the changes. We apologise for the delay. I really had hoped, that this one would be in place by now. I assure the Parliament, that we will be watching the performance of IRC very closely in this area, to ensure the changes are put in place this year. A budget of K100 million has been allowed for this initiative.

Paying off Arrears and Outstanding Obligations

Mr Speaker, a second key area of focus for the Supplementary Budget is paying off arrears and other outstanding obligations. The former administration often talked big but then failed to

follow-up. Or more accurately, sometimes they would even sign a contract, and then simply not pay..

On coming to government, we established an across-agency Arrears Vetting Committee. This Committee identified K5.2 billion in outstanding arrears. This is a pretty shameful level of unpaid bills that we inherited.

We have been making good progress in paying down the stock of arrears. Over the two and a half years to June 2022, we had paid down K961.

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Over the two and a half years to June 2022, we had paid K961.6 down million in arrears. As part of this Supplementary Budget, we are allocating a further K300 million to reduce this arrears stock, lifting total expected repayments to over K1.2 billion by the end of this year.

There were other outstanding commitments that this government has been asked to meet. With some extra funds now available, we are going to accelerate paying some further outstanding commitments.

We have set aside for example, K210 million in this Supplementary Budget, to start repaying the backlog of outstanding benefits, for Porgera landowners. This is their due. It is also good for the country, as it helps to get the Porgera mine opened again.

We are also meeting some outstanding Court Costs with K30 million, MOA outstanding payments of K40 million, Ex-gratia payment to PDL6 landowners of K30 million. On top of this, there is K200 million to prevent the build-up or arrears in utility and rental bills; let's work to keep the lights on and prevent any further lock-downs.

Overall, over two-thirds of the entire net spending in this Supplementary Budget, is repaying arrears and outstanding commitments; a total of K810 million. This is sensible government. Meeting our outstanding obligations left over to the Marape-Rosso Government. This K810 million is finally paying down some of our hidden debts. About time, for businesses and landowners and others with outstanding bills left untouched for too many years, we hope we can continue to do this in future years. We want to restore trust in the Government as a genuine partner. This will build confidence, and ultimately, provide the basis for higher rates of growth and social welfare.

Other Key Financing Items

Mr Speaker, we have provided a further K50 million to cover 2022 election costs, bringing total funding for the election, to nearly double, the level of expenditure in the 2017 election. There was enough money to support a much better election this year, so I look forward to the proposed Parliamentary Committee examinations of what went wrong and what can be done better

Once again, there is a salary cost over-run. This is K201 million, much lower than in previous years, and of this, over 70 per cent is related to teacher wage overruns. We continue to bring this area under control but it is very challenging. After no pay increases during the latter part of the COVID19 crisis, it is now time to start increasing some salary payments.

There is also a need to provide additional funding for the 7 new districts that have been created, and K3 million each has been provided. There are also new members in existing electorates, and it is appropriate, that they be given some funds for commencing programs through to the end of the year. For equity reasons, all districts and provinces needed to benefit the same, so an additional K2 million per district and province has been allocated bringing the funding back to K10 million per district and province. So, I urge all members to spend your DSIP funding wisely and fairly, and across all of your electorate. Delivering good services at the local level and at the district level, is an absolutely critical part of our roles as local Members of Parliament.

06/04

In conclusion Mr Speaker, this is a responsible, caring Supplementary Budget. It balances additional revenues with additional expenditures, this keeps us on the road to budget repair and is consistent with our thirteen-year fiscal plan. We will ensure that the Independent Consumer and Competition Commission (ICCC) enforces the reduction in fuel costs as part of our household assistance package.

We are proud that so much of our budget is going towards repaying outstanding commitments to build trust in Government and for people and businesses to be paid their fair due. We are proud to support further work at the district level as well while continuing to contain the expenditures and blowouts in areas such as wages. I commend the 2022 Supplementary Budget to the Parliament.

Mr ALLAN BIRD (East Sepik) – Thank you, Mr Speaker. Firstly, let me congratulate the Prime Minister and his Deputy and the cabinet and of course the Treasurer. I also acknowledge that we have been lucky as a country on one part but unfortunate on another.

Rising commodity prices have resulted in this boom for the country. I am assuming that since a lot of this bountiful return is going towards our outstanding debts, I suspect that is in response to the outcry from some of our educated Papua New Guineans who keep asking when is Papua New Guinea going to pay down the debt.

It is unfortunate that a large part of this windfall is actually going to pay down debt. It's a good thing, because our debts will be less and our creditors will look at us in a better light, I suppose going forward. But then I'm also assuming and hopefully the Treasurer can brief us on that, perhaps there is good news coming in the Budget proper for next year, in two months' time. Perhaps this good run of fortune will continue into the Budget and into next year.

I'm really pleased Mr Speaker, that we have allocated a considerable amount of money to the Porgera landowners so that we signal to the landowners, and the provincial government and of course our partners, the seriousness of the government in ensuring this critical economic project is being given the appropriate attention. So we may get it back up and running and at the same time, demonstrate to the landowners our seriousness in removing our commitments to them that have been outstanding for a very long time and I hope that the landowners will reciprocate along with the provincial government to help our government speed up the process in reopening Porgera. So that the country can benefit from that important project in the very near future.

I also note that there is a significant payment towards the CPI for the public servants that has been outstanding for a long time. I noted that in Schedule 2, which wasn't in the Treasurer's report. So, I think that it is good news for our public servants, many of whom have been wondering when they will get this CPI increase. So, it's good that we're retiring that outstanding and, of course, the education fee subsidy so our parents can have less of a burden.

I'm concerned to note that we're still having payroll overruns. Now this is an issue that has been plaguing excessive governments and we have still to grab this bull by its horns and deal with it. So perhaps in the budget proper, some effort can be placed in terms of budget. So that we can get a handle on this payroll issue for public servants that seems to be continually brought to the Floor every year. Someone needs to figure out what the actual cost is for our public servants so that we can budget appropriately and not have cost overruns that we need to deal with in every supplementary budget.

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I hope it isn't paid to friends and relatives so that, we find ourselves in the situation that we are currently in.

I would like to see some accountability from PPL particularly now that this money is being paid; if someone can bring back a report to the House, as to how they have utilised this K30 million. Because I think it is important that, the people of Papua New Guinea know what is happening to their money especially when it is given to public companies.

Having said that, I am very pleased to note some of the actions of the Government in relation to the effects of inflation on our people and the communities. It is interesting in terms of numbers; our inflation is less than Great Britain. I suspect that has a lot to do with local production.

I wanted to give an example because I know many of our people continue to criticise us for not doing enough in terms of combating inflation. When there is inflation going around the world, Papua New Guinea cannot be immune.

So, I wanted to give this example here on the Floor; if you go to one of our supermarkets now to buy lemons, it will cost you K13 to buy two lemons. If you decide to go to Gordon's market and buy a lemon, it will cost you K1. If you want to go to Wewak market and buy lemons, you will get four lemons for K1. This is the easiest way that I can demonstrate the effects of inflation and perhaps, other costs.

Once again, I encourage our people to buy more directly from the producers; our own people. Because my people in East Sepik can get four lemons for K1 while, someone in Port Moresby can go to the supermarket and pay K13 for two lemons.

So, whilst we do a lot as a government; I noted the significant K611 million household package and also the significant improvements at the fuel bowser, people need to understand that they can save money by purchasing local produce and examples have just been stated.

Mr Speaker, with that I wanted to commend the Treasurer and the Government that in this difficult and harsh times, the windfall has gone mostly to helping our people in the households but more significantly, repaying the outstanding debts which we all have been concerned about. Certainly, from my committee, in the last Budget, we noted our concerns surrounding the debts and I suppose in the future if there is another windfall, it will probably go towards repaying the debts.

Mr Speaker, as I conclude, I am aware of our need for a sovereign wealth fund. I took note of the comments made by the Prime Minister to the business community recently and I hope in

future provisions, Mr Treasurer, we may start moving towards making that a reality for our future generations.

Thank you, Mr Speaker.

08/04

Mr SASINDRAN MUTHUVEL (West New Britain) – Thank you, Mr Speaker. Before, I give my contribution to this discussion, let me congratulate you, Mr Speaker, and the Deputy Speaker for being elected unopposed, and also the Honourable Prime Minister James Marape, who was elected, unopposed. I also like to thank the Deputy Prime Minister, Mr John Rosso and the Opposition Leader and the Member for Kandrian-Gloucester, Honourable Joseph Lelang, who has been elevated as Leader of Opposition. He is an economist by profession and I am sure he will make meaningful contribution to this Eleventh Parliament.

Mr Speaker, I join my colleague Governor Allan Bird, to also congratulate the hard working Treasurer who had sleepless nights in the last few weeks to bring this record level Supplementary Budget in a short period of time. I thank him and his team for their hard work to bring this Supplementary Budget to share the additional revenues equally to all the provinces and also including and supporting the newly established seven districts.

I sincerely thank the then Marape-Basil Government, for having passed these additional seven electorates and now the Treasurer is adding funding for these additional electorates. He is also supporting all the provinces and districts of the 118 members with the additional support of K2 million in terms of support improvement program which will give us a jump start, especially the new members of Parliament to immediately start off their work.

As Governor Bird mentioned, in the midst of such gloomy and uncertain economy, we survived this pressure; immediately after Covid-19 came another economic downturn caused by Russia-Ukraine war. This caused the unexpected rise in fuel prices and I thank the Treasurer for his wisdom to reduce the excise duty and tax on fuel.

Mr Speaker, we also need to ensure that the reduction in prices translates to people and are reduced by the retail service stations and wholesale of fuel because the fuel price is still very high. High fuel price is a contributing factor towards PNG Power's struggles; if it is due to maintenance issues or engines faults, then we can understand, but most of the time, the blackouts are caused by lack of fuel. Unfortunately, all the provincial service stations still depend on diesel so it is an indication that we should try switching to renewable energy. We can either support the biogas

plant in West New Britain or any other province that has the potential to generate renewable energy.

Mr Speaker, fuel prices are not going to reduce and I won't be surprised if the cost of one-barrel increase to \$200 or \$300 and that might happen.

In spite of all the renewable energy initiatives for the next 100 years, we are still going to depend on this fuel to run the economy's factories and everything else. So, it is extremely important to ensure we secure this fuel at a cheaper to fuel our economy and we should open up a market for it.

Take India as an example; every country must give priority for its own welfare, irrespective of whatever multilateral or bilateral agreements, India goes all the way to Russia to buy fuel on discount so that they can reduce the fuel prices back in their country.

Now, we are no exception, so we should also explore how we can buy fuel cheaply from those big economies on the discounted price to directly help our people. This is also record level of GDP growth in the last three years, especially in 2020 where there was a big jump of almost K27.6 billion. This is a significant growth which needs to be seen and translated for the wellbeing of our people.

I also thank the Treasurer for lifting the threshold of our minimum wage earner from K17, 500 to K20, 000 and saving K21.15 per fortnight from a non-tax payment, is a huge savings.

We must give emphasis and fund revenue measures at the provincial levels because many times we underplay the provinces.

09/04

We forget that when provinces grow, then the provincial economy grows the country's economy also grow. If there are provinces that want to run, let them run, if some want to walk, they can walk, if some wants to crawl, they can crawl. We cannot expect all of them to run. You tell cannot tell the province that wants to run to crawl again.

So, Mr Speaker, we need to develop some provinces in terms of their economic potential. Think of Bali Island, why people are going to Bali Island? Many may not even know that they are going to Indonesia. They think Bali is a country because it is a for famous tourist destination. People are going there because that economy is developed as a tourist destination.

So, when you grow any particular province as a tourist destination or agriculture investment destination, then we can grow that particular province. If that investment and

environment is conducive for foreign direct investment to come. That is how Bali has been promoted and there is huge influx of tourist going to Bali and as soon as you lift the Covid travel bans everyone will rush to Bali.

Likewise, we have such potential but how do we attract tourists, if we have our airfares are so high.

Mr Speaker, the funny thing is, I can go to Brisbane on a one-way ticket for K700 but I cannot go to Hoskins with K700. A one-way ticket to Hoskins is K876.90, if you purchase a return ticket, it's about K1,770.00. So, travelling to Brisbane on a one-way is cheaper than traveling to Kimbe on a one-way ticket.

So, these are some of the facts we need to look into, how do we attract the foreigners to our tourist destinations. We are not talking about quantity but quality tourism. But how can we make these prices affordable for tourist, especially to explore the provinces.

When people come to see Port Moresby, they think it is Papua New Guinea, which is an injustice to our people, country and tourism potential. Port Moresby is a capital city and unless, tourists can visit. Those active volcanoes, fast flowing rivers and the mountains to experience that cool breeze, then they can't really embrace the beauty of Papua New Guinea.

We are fortunate and blessed by God with all the resources. We have agriculture resource, oil and gas, free flowing rivers, hydro potential and everything. Tell me about the resources we do not have in this country and therefore have to remain dependent on many other countries.

Mr Speaker, this a positive sign, we have the potential to grow our economy and we need to emphasizes on the importance of revenue measures.

Mr Speaker, this reminds me, the honourable Treasurer can address this issue in the 2023 Budget.

Mr Speaker, I remember that, when I first came into Parliament in 2012, I was sitting in the Opposition having no knowledge about Parliamentary procedures. And I, remember that 2013 Budget being presented by the current Higher Education Minister, Honourable Don Polye, the then Treasurer.

Mr Speaker, whenever you bring the Budget, you will have a huge volume of books and various amendments and all those things. It is not easy for anyone to fully understand and being in the Opposition, I didn't have any clue.

That time, based on advice from some consultant from Treasury, the Treasury amended the *Inter-Government Relations Functions and Funding Act 2009*, in 2012. It was amended in such a

way that if any provincial government received any form of additional revenue then they will be disqualified for the GST component. The GST component which rightfully belongs to the province.

Thanks to the current Morobe Governor, when he raised the matter in court, it was awarded in favor of provincial governments; the entire GST was awarded and based on the agreement with the current Governor of Morobe and also our late Grand Chief, it was shared at a 60/40 ratio.

Mr Speaker, unfortunately, at that time the late former Chief Secretary, Sir Manasupe, who was very instrumental or passionate about the provincial government systems. Who came physically to West New Britain with some Australian consultant.

Although I am speaking in perspective of my province, it is applicable to every province.

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He introduced some income generating measures; for example, we started taxing on dangerous goods. We call them dangerous goods because these are harmful to our health and 99 per cent of accidents in the province are mostly alcohol related. We tax 20 toea per bottle of beer, 3 toea per stick of cigarette and K5 per liter of alcohol.

We were able to generate in 2011 and 2012, roughly around K3 million. Business houses did not complain over the 20 toea per bottle that we were collecting, because drunkards do not worry about the price of beer. We were generating the K3 million revenue, why would anyone in the right frame of mind want to jeopardize the income generating potential of sub-national governments by introducing an amendment to say amend that inter-government relations functions and funding act in such a way that if you receive any form of revenue than you will disqualify your GST.

Mr Speaker, apparently, the GST component is much higher than the beer tax. The beer tax is only K2 million whereas the GST is K10 million. So, we do not have that capacity and we were not brave enough to say; yes, you can take your GST and we can go and collect our own provincial sales tax because of lack of capacity in the provincial administration system. When I enquired, we were told in a letter to stop collecting this K2 million, so we stopped since 2012.

That means that the K2 million could have directly assisted our Provincial Health Authority or the main hospital to address health issues, especially those relating to the use of alcohol. I sincerely and honestly appeal that we repeal this particular amendment so that we adhere to the

main *Constitution*, the *Organic Law on Provincial and Local Level Governments* which authorizes any provincial and local level governments to generate any form of revenue.

This matter can be subjected to court reference, if this is jeopardizing provincial and local level governments ability to generate revenue. Here we are telling every province to work hard and bring in revenue, so we should repeal this one because every province is different.

So, if you want to drink beer in my province, you just have to pay an extra 20 toea. Provinces may apply their own tax on certain goods and services; we apply our own measures as to how we can support and generate revenue.

Mr Speaker, to bring in foreign investment, we have to also invest in law and order as Governor Ipatas has passionately stated. I feel guilty as I cannot do anything when my people get attacked. It is not only the elites who are attacked; and when they do, they have sophisticated means to avoid risky places or situations that may threaten their safety; however, majority of our people do not have a choice so they follow the same route back home and get attacked by these so-called criminals.

As stated by Ghandi, if a woman is not safe wearing gold jewelry in the middle of the night, then we are not independent. Likewise, if we cannot protect our citizens then we cannot call ourselves free when our people are living in fear.

We cannot jeopardize their freedom just to make some long-term investments and get attacked by these rascals. I appeal that we support the Internal Security Minister, he needs support from all of us, so that we can create a conducive environment in our communities to attract direct foreign investments. This what we all want.

We are also being labelled badly as one of the high-risk countries and this has been published widely on websites and other online platforms.

I was surprised to learn after going through a website in China which stated that PNG was a very safe country. Whereas some other countries said the exact opposite, they said PNG is a high-risk country and was not safe.

Mr Speaker, this image our country is an issue we need to address.

11/04

Some of our close friends are branding us as a 'high risk' country, and kept getting high risks allowances just for being here. The way they are protected by private securities when they

move around might confirm that PNG is a 'high risk' country. Of course, that is a great opportunity for our striving security firms to flourish and make money from some of these foreign investments.

We can understand when bad incidences happen once in a while, but to feel the need to be protected and take precautions every time is not a good feeling for our people, as well as tourists coming in to PNG. For that we need to sincerely address.

Mr Speaker, I also want to thank the Treasurer for increasing the K201 million for those additional teachers employed in various provinces. I can't remember the exact number for the additional costs for my province that we were supposed to pay to our teachers. We can't jeopardise those teachers that have contributed to our province.

For example, in some remote parts of Kandrian-Gloucester, I have met some teachers who have not been paid for over two years, but they are still serving. These includes teachers not only from my own province, but from the highlands, and even some from the Western Province. I am thankful that the Treasurer addressed this, and I hope that the Department of Education will honour some of those teachers' pay, that we have not paid over a period of time.

Mr Speaker, I sincerely thank the hard-working Treasurer for his utmost effort in always trying to be transparent in addressing our current issues and debts.

Mr Speaker, even at the provincial levels, there are so many payments and claims, and some of these are as commitments for court orders dating back to 2010 and 2013.

We should have a committee that checks on the legality of these court orders. Sometimes we get fined with fake court orders. I for one, have been a victim of such. Even at the provincial levels, they have debts owing to as much as K8 million from hire cars.

As I am speaking, I have received a message from the Provincial Electoral Commissioner informing me that he was being harassed because of Electoral Commission has not paid overdue allowances for the election officials.

This is not the responsibility of the provincial government, but the Electoral Commission because all the funds went straight to them. We would also like to know the exact amount allocated for the election allowances so that we can address those at the provincial level. They might fool us and get paid by both the provincial administration, and the Electoral Commission. We need to address this area.

Thank you to the Treasurer for bringing in the Supplementary Budget to support us and give us an immediate jump start for all our new members, and also, in addressing the inflation issues by increasing the limit for minimum tax, from K17,000 to K20,000.

Mr Speaker, I thank the Treasurer and the Government for the Supplementary Budget.

Mr LUTHER WENGE (Morobe) – Thank you, Mr Speaker, for recognizing me to contribute to the debate, on the presentation of the Supplementary Budget by the Minister for Treasury.

Mr Speaker, when the Prime Minister was elected, I thanked him and recognized him as the Prime Minister. I also talked to him about our debts. If we still have outstanding loans, we need to pay up because it might cause differences among us and people that assisted us when we needed help. They might lose their trust in us and not be willing to assist us later on.

As leaders, ‘the bug stops with us’, meaning everything will always come back to us. We as leaders are to be held responsible by the people that assisted us.

12/04

I am glad and commend the Minister for addressing this point for bringing respectability to this country. When international organisation gives us loan, we repay with interest because of respect and trust, which you have been addressed today.

Secondly, you addressed the issue of education; there is a time for everything in life. We are elected Members of Parliament for five years now and after that we don’t know. There is time to be born and the time to die. Everything is in God’s control.

The children who are in school now will one day become leaders and come to this Parliament to run this country. That’s why our focus now must be on these children. As for now we can say they are nobody but they will be somebody in future when we vanish on from earth.

Thank you once again, for introducing the new electorates for this country including both old and new; a total of 118 electorates. I am happy more so with the new electorates but it comes with a lot of struggles and work to do in terms of creating main centers, their administration, major infrastructures such as roads, bridges and so forth.

The advantage side of it will be, the equal distribution of services which for a long time the people have missed out on. Mr Minister, I thank you for addressing this issue by creating new electorates.

In addition to this point I want to contribute some ideas for you to take note. Firstly, the people of this country are really affected big time now. Just yesterday you presented the Supplementary Budget of K875.8 million for this country. Mr Speaker, I am glad with your

statement, it's really a blessing in disguise. Many people complained about covid-19 but since this pandemic occurred, increased the price of gold. You can confirm this in the business news. I really enjoyed reading the news when the pandemic hit hard. Many people were very scared of covid-19 but I was so happy with it. Only if you take care of yourself well the virus won't attack you. I took good care of myself at home, feeling happy and was wondering what good was this pandemic going to bring to boost this country. After investigation I realized that the price of the gold had increased and I was surprised. So, we can say it's really a blessing in disguise.

I want the Minister, Prime Minister and the public to know that we only own two per cent; which the provincial government shares with the landowners. But who owns the 98 per cent; it goes to Harmony, Newcrest, K92 Mining? When they sell the gold, they bank in other countries. That's why we face the problem of shortage of foreign currencies in our country and it really is affecting the transaction. You can't use our kina to buy items in Australia because it has no value. It's considered as a toilet roll. The Australian currency is very strong only because of harvesting our gold from Porgera, Lihir and Hidden Valley and they bank them in their country. They only bring small portion into this country.

13/04

Mr Prime Minister, you continue to talk about the K875.8 million and we are happy but this is not much.

Mr Don Polye - Point of Order! Thank you, Mr Speaker. Honourable Governor, I respect your speech but I raise a point of order because you called our Kina toilet roll and I want to say that I respect the Kina. The Kina is our currency. Every country experiences a currency fluctuation and at times the value will rise and fall. Our money is not toilet paper; it is legal tender. I ask the Governor to withdraw his statement because Kina is not toilet paper, it's a legal tender for Papua New Guinea.

Thank you.

Mr SPEAKER - Honourable Governor, some of our people will not understand your language and they will think that our money is toilet paper so the point of order is in order.

Mr LUTHER WENGE - Yes, it's okay, I make the point and he listened to it and the country listened too. Thank you.

Mr Rainbo Paita - Point of Order! Thank you, Mr Speaker. Can the Governor withdraw his statement?

Thank you.

Mr LUTHER WENGE - Mr Speaker, with the greatest respect, I said I withdrew, but he was not listening. Does he understand *tok-pidgin* or not? Maybe, he must be new to this country. Do not tell me to withdraw my statement as you are wasting my time.

Mr Speaker, our people in the country are facing a big challenge. We are happy with the K875.8 million which is a blessing of in disguise. Our people are really facing a tough time. The prices of goods and services are increasing.

Mr Speaker, I want the Minister to take note. When we receive this funding, we must subsidise all these items in order to help our people. We come to this Parliament because of our people. It is not because of birds or stones or logs that we are here. We did not campaign to the stones, we went and campaigned to these local people and they mandated us to represent them in this Parliament. Therefore, Mr Speaker, we must address our people's issues.

We don't have many rich people in this country. In the past, when I was a governor, I thought that K1 and K2 was a small amount of money. Today, when you are in the village and you ask someone to buy you a newspaper with K2, they will not buy it because it is a big amount of money to them. To us as Members and Governors, it's reasonable but for the village people, it's a big amount of money. Therefore, Mr Speaker, I want to ask the Minister if he could subsidise the price of goods and services.

Mr Speaker, my third point is; we must build our reserve. The extra money we receive from the blessings in disguise from oil or gas or whatever resources must be put into a reserve now. We must build a reserve not in our country but in countries like Sweden and America where the currency is very strong.

We continue to talk about unnecessary things like Super Funds where there is no good outcome too, it's a waste of time. When we receive some extra fund, we must build our reserve in one of the overseas countries. I want us to have K10 to K20 billion in our overseas reserve. Though we can have problems in this country, we must build our reserves.

In the past, our K1 is equivalent to \$1.30 in America when we got our Independent. In Australia, our K1 was equivalent to \$2 and in New Zealand, our K1 was equivalent to \$3. When I was studying in New Zealand, my wife would send me K1000 and when it was converted, I had \$3000 in my pocket and I was very excited.

14/04

But today if you send a K1000 to New Zealand It would only be \$250 dollars.

Therefore, we must build the reserves in order to make our money become stronger. Papua New Guinea is a rich country. Who says that we are a poor country? Papua New Guinea is a rich country in gold, copper, oil, in trees, in fish. People say that we are rich in these natural resources. We have to build reserves. We must not just use the money we need to learn to save money and build reserves in order to build this country.

The Government in 1994 floated money, thinking it would make money with agriculture produce. Since then the value of our money has gone down, and you the Member of Kandep is listening and now Mr Speaker, I'm worried and talking about this. We have to build reserves and become the richest Christian country in this world as envision by our Prime Minister. We can achieve this dream.

Mr Speaker, I would like the Government to help the landowners. The landowners in Porgera are complaining that they never received anything because everything goes to the foreigners while the landowners only get a small portion of the shares. Their complain is very genuine.

Section 5 of the Mining Act, gives 100 per cent of minerals to the State. What sort of law is this? From where I come from, the people own the land and whatever is on it; not the Government or State. This is not our law; this law has been set by the foreigners. We need to bring back our laws. Similarly, the oil and gas act also states the same. *Section 6 of the Oil and Gas Act* gives 100 per cent ownership to the Government.

The Government does not have the right to claim over these minerals and resources, it is 100 per cent owned by the people of Papua New Guinea. We need to change these laws to suit the needs of our people. I am happy that the Minister has done the right thing by helping the people of Porgera. In the past they used to fight with the workers of the mine for their royalties., and the foreigners would just ignore them and refer them to the police. The people do have the right to fight for their royalties because the foreigners were benefiting more from the royalties.

Now I am requesting that provincial governments must have equity.

15/04

We need to answer to them and whatever funding that is allocated, must go direct to the people.

In the case of Wafi-Golpu, I would like the 30 per cent equity be given to my people. Because once the mine shuts, all that will be left are wastes from the mine. The government gets 98 per cent while only two per cent is given to the people, which is very much lesser than expected. The rest of the benefits are taken away by the foreigners.

Mr Speaker, therefore, I would like the Minister to take note and address this issue when he tables the 2023 National Budget in November.

Mr Speaker, I am very grateful and happy for the Prime Minister because, he is from Tari and I am sure his people are very hard-working in working the lands of coffee and vanilla. When you look at the country's history regarding plantation labouring, it falls on the hands of the Tari and Morobe people. We helped the Australian farming businessmen by becoming the labourers.

That is why I support the Prime Minister in showing his interest in agriculture. More funding needs to be pumped into the agriculture sector. Once you help the people in this way, they will not have a reason to go against you. If these things are not done, then they may have a reason to do so.

Much of the population of this country are in the rural areas so, we need to help support them. Oil and gas will come to a stop one day and we need to support our people to work their lands in order, to sustain themselves and to also support the country's revenue.

Therefore, I thank the Treasurer for the Supplementary Budget presentation. I am sure in the November session for next year's annual Budget, a lot of innovation, creativity and intelligence will come into your office and we shall have a much better Budget for the best interest of this country. I believe and I trust that this will happen.

May God bless you.

Mr PETER O'NEILL (Ialibu-Pangia) – Thank you, Mr Speaker for giving me this opportunity to say a few words on the Supplementary Budget presented by the good Honourable Treasurer today.

Firstly, let me congratulate you and your Deputy on behalf of my people of Ialibu-Pangia, on your re-election to the Chair. It is a very well-deserved victory and I thank the people of Manus for re-electing you to be in this House and to maintain that position.

Also let me extend my congratulations on behalf of my people to the Prime Minister and his Deputy, all the ministers and of course, all the members of Parliament especially, the new members who have joined us in this Parliament and we wish you well in the next five years.

Secondly, let me congratulate the Treasurer for a timely presentation of the Supplementary Budget, which reflects the conditions of the economy as we face today especially, right after the General Elections which certainly stopped the business houses and the entire economy from performing. To try and capture the confidence of the people to invest more in our country, a Supplementary Budget is needed and this is a timely reflection.

16/04

I also welcome the conversation about the presentation of the Treasurer that there has been a windfall of revenue in 2022. I do not know whether I am reading the Supplementary Budget well, but that windfall is not reflected in the Supplementary Budget Bill that is being presented. Normally from previous experience, we always state all that has been received or estimated to be received in a calendar year, which should be reflected before an allocation of expenditure. But here, it is not happening, so I probably hope that it is just an oversight and we can correct it.

Mr Speaker, I also note that the Treasurer is talking about the size of the economy, and yesterday, I understand that the Prime Minister made similar remarks that the GDP is growing to K200 million over the next five to ten years. Again, that is welcomed news, but I want to say that we have to be very cautious about this whilst welcoming the increase in the size of GDP and the economy, we have to observe where it is coming from.

Mr Speaker, as the Treasurer has stated, the oil and gas prices have gone up, in fact record prices globally, gold, copper and the other commodities have gone up which is reflecting the growth in the size of the economy in the country. But, it does not truly reflect the other economies that we have; for instance, when we look at coffee, oil palm, cocoa and all the other commodities. In fact, the number of exports that we are doing have reduced and all over, the prices are high. These are areas that affects thousands and thousands of our people who are working the land to earn a living out of those commodities.

Mr Speaker, when the commodity prices of copper, oil and gas collapse we will be in a very precarious situation. So, when allocating resources, I feel that the Treasurer has to take that into account when he prepares for the 2023 Budget. He needs to make sure he is supporting these industries, now that the Prime Minister has already made ministries especially for agriculture and all the other commodities.

We need to be serious about why we are want to address that, funding has to be allocated to support those ministers and departments that would be created, to make sure that the vision they have is delivered.

So, Mr Speaker, I think that apart from the key expenditure items that the Treasurer is talking about and the need for it to be increased in spending to meet the demands of those departments and sectors, I feel that revenue measures need to be addressed.

We cannot be going to Central Bank to print money, we must try and build the economy so that we have enough revenue for the government to meet these expenditures that we are talking about.

We have to learn from the global players, especially big economy like the United States. For instance, when Trump took over the presidency in the United States, he drastically reduced the taxes; both personal and company taxes. People thought it was going to reduce the revenue, but instead it had an opposite effect. It gave confidence to people and businesses to spend. As a result of people having more money in their pockets, they were spending more in the economy, generating business confidence resulting in economic growth and employment growth.

Mr Speaker, today we have a situation in our country where a lot of people are unemployed; they are not earning an income to maintain or sustain themselves. That is why after this very bruising election, I think that we need to make sure that we invest so that our people will have enough money in their pockets and the confidence in consuming and also investing in our economy.

I think that it is timely that the good Treasurer should review some of the personal and company's taxes.

The second issue is that the cost of living is increasing all the time, inflation is increasing and there is no serious agenda coming from the Treasurer and his team about addressing inflation.

17/04

Apart from allocation of the subsidies for consumer items that has been allocated in the Supplementary Budget there is no addressing of how we can curb inflation that is going up. The price of goods and services, especially store items are increasing probably on a daily or weekly basis.

Mr Speaker, and that is now the subject of everyday conversation by our people and that is because real wages for our people have not increased since the last minimum wages that we have done many years back.

So, government needs to put a plan together for inflation management and at the same time, immediately review the minimum wages for our people. People who are earning less than K20,000 a year, are not able to maintain their families properly for the whole year in the cities like Port Moresby, Lae, Goroka and many other parts of our country.

That is why those two issues need to be done because as a result of inflation going up, the interest rates are going up. If the banks are charging more money that means few businesses and people are going to borrow money from the banks and the economy starts to slow down. That is the reality of the economy we are facing today.

Whilst, we are enjoying all this windfall and revenue coming from the oil and gas, that is temporary. We have no control over the global prices. We have absolutely no control; we are dictated by global demand and supply, and circumstances like Ukraine war that is happening today. And as a result of that, those prices now at a high level, but it will come down.

Mr Speaker, I believe that we need to be prepared for it and we have an opportunity to do that in the 2023 Budget, that we will be presenting in November and I urge the Treasurer to look at it.

Mr Speaker, finally to conclude, I see the expenditure items; some of the cuts that the Treasurer has done in the 2022 Budget, like K20 million for rural infrastructure. Mr Speaker, these are areas that need more because 85 per cent of our population live in the rural communities. Infrastructure is what they need for survival to earn income and look after their families.

Mr Speaker, the cuts in SME; this is the pillar policy of the government and I see there is a cut of about K30 million. We need to rethink about whether we are serious in addressing the SME opportunities for our people or not because taking money away from them is not going to help the situation.

The other issue is about the K50 million cut for the Bougainville Restoration program.

Mr Speaker, Bougainville again is going to be a major issue for our country, we need to be serious about how we are funding Bougainville. We cannot continue to keep allocating money and then cutting just because we have to balance the Budget. We must be serious about some of the key major initiatives that the government is required to attend to and it is important that we continue to do so.

Mr Speaker, the second issue being talked about regarding the K611 million that will supplement the household expenditure for all our people.

Mr Speaker, the major subsidies are going to fuel companies and although necessary, not every Papua New Guinean has a car and is going to buy fuel. We need to be realistic about putting money into the pockets of our people.

The only way we can do this is by increasing the threshold of K20,000. The zero tax for a K20,000 wages or salary is fine, but we need to have a serious review, I don't think everybody is earning K20,000. So, we should increase it up to about K30,000 where most Papua New Guineans probably, 30 or 40 per cent earning that kind of salary as security guards, taxi drivers, and so forth. We need to be serious about putting money into their pockets so they can look after their families.

So Mr Speaker, I welcome this Supplementary Budget, but we must focus on areas where it will impact our people the most and that is the food on the table for their families. Right now, I can tell you that a majority of Papua New Guineans are having less than two meals a day.

This is something that we as leaders who are being elected to this Honourable House need to take seriously. We are here to serve these people. Make sure that they have better quality of living and that is going to be achieved only by making sure that our policies are funded properly so that they deliver to the expectation of our people.

Thank you, Mr Speaker, for allowing me few minutes to say a few words.

18/04

The Ministers have departments and departmental heads, who find ways not to do what they are supposed to do. In that instance, you must summon them immediately, and ask them why are they not doing their jobs. And, if they continue to turn up with excuses then, that person is not the right person for that job. They must be removed immediately.

I want to make a point of reference here, while I am talking about the matter of Department of Personnel Management (DPM). When the DPM was under the ministerial management of the Honourable Elias Kapavore, that Ministry started to improve in performance.

The Minister undertook to review the performance of all heads of departments. The Department of Personnel Management has the powers to do that. You don't have to wait for the ministers of those relevant departments to come and report to you. You carry out a periodic assessment of the heads of various departments, and if they are not performing in the best interests of Papua New Guinea, they should be removed immediately.

They are liabilities to this country, with their non-performance, and I 'cannot do this attitude'. We need people with 'I can do this attitude', managing these organisations.

My second point here is that, the Government needs to carry a very serious review. If I am returned as the Chairman of the Special Parliamentary Reform Committee, I will insist that I be given the authority to do this by Parliament.

We need to carry out a review of all the creatures that we have created; the Government entities. The Attorney-General stated in their 2018 Report, that there are 1419 such organisations. Many of these organisations are performing in the best interests of Papua New Guinea, and they are assets. But, there are a great number of them that are liabilities.

They have executives, some have boards, budget line and we don't even know what they do. What do they do? They become liabilities by soaking up significant amounts of money that ought to be going to aid posts, schools, roads, bridges, et cetera.

I will insist, and would like the Treasurer and the NEC to take note, that we must carry out a review of these 1419 entities, and decide which are assets and which are liabilities and deal with them accordingly.

My third point is, a serious effort must be undertaken to review the activities that are being carried out in the 'black economy'. We have a 'black economy'. It is an illegal area where a lot of illegal activities are undertaken, taxes are evaded and transfer pricing is taking place. These are very clever elaborated tax evasion schemes and scams established to avoid payment of taxes due to the State and the people of Papua New Guinea.

These are like freeloaders. They live in our houses, occupy the rooms, they use our electricity, our water, raid the kitchen and the farms, watch television, but they pay absolutely no taxes. They are parasites and some of them are making significant profits and expanding into all manner of businesses, right under our watch.

We call ourselves a free country, but we are too scared to question some of these characters. They have become so big and powerful that we don't want to touch them. We just ignore that they

exist. If we are doing this, then what's the point of waving our flag on 16 September every year, and claiming that we are an independent country.

If they are in here doing businesses, they must follow the laws and pay their taxes. If they are not doing so, then why do we entertain them? Many of us know who they are, but yet we deal with and become friends with them. We need to take these guys on.

If we are really an independent country, then we need to make them pay their taxes and to hold them accountable. But we are not doing that. The 'black economy' has billions of kina in there that never made it into our coffers. Most of it are being transferred offshore to build empires in other countries. I must say that some of our neighbours know this too, but they allow them to invest in their countries.

Treasurer you need to set up a team, consisting of the relevant Government organisations and go after those players in the 'black economy' and deal with them.

For example, did you know, Mr Treasurer, that are large number of significant volumes of fuel used by some of the players in these 'black economy', especially those in the forestry and fisheries sector. Large volumes of fuel come across the borders from Indonesia. They are never taxed.

19/04

They are never taxed they just hover outside our EEZ, ships go out get the fuel come here and spread it out through their operations but they absolutely do not pay any excise duty. All you have to do is ask for a report from the NIO or customs or from the Defense Intelligent branch and they will confirm this as it has been happening for a long time and nobody is putting these guys to task.

Did you know that a large number of consultants come into this country on business and tourist visas and they pay no income tax at all? Who is responsible for all this? I am confident that the new Minister for Labour and Migration will pay attention to this, take notes and do something about these. Something needs to be done about the black economy, we cannot entertain parasites who do not pay their taxes while we over tax our people, who are legitimate investors and those involved in honest productivity.

At this juncture, I go to my next point and that is we have to pay attention to recommendations made in the tax review committee; which was set up and I believe it was an initiative of the O'Neill Government at that time but up until now no-one has paid any attention to

the findings of the tax review committee. There are serious recommendations contained in that review that we can take on board. And if they are dated, then we can put a new committee but use those findings and recommendations see what we can do to give tax relief to our genuine taxpayers.

Mr Speaker, Papua New Guinean companies and its local citizens pay the highest taxes in the region, if we reduce the taxes from where we are right, I think it is 35-45 per cent. If we reduce them to 10-15 per cent you will see that more people will actually turn up and pay their taxes. There will be incentives for them to pay their taxes as it will be reasonable.

My final comment is that the NEC also has to be responsible; often times we read with dismay about scams and schemes that are processed through the NEC which cost this country significant amount of money. We aid K300 million for seabed mining an activity that never benefited the country. We bought generators that are not being used and we continue to experience blackouts. We are leasing buildings that we do not really need at huge cost to the taxpayer. We have got to set the pace as many of the Ministers if they see a submission coming before NEC that is irresponsible to this country, do not process it.

We swore an oath before God, we held the bible and said that we will serve this country, well let's live up to it, every time that you are presented with an opportunity live up to that oath, you should do so with great vigor, energy and pride. My final point is that we have to empower our entities that are going to go after the money. Our revenue collection arms, the Internal Revenue Commission and Customs, many times these organisations have brought submissions that are always knocked back. Submissions for retention of the percentage of the revenues that they collect so that they can continue to operate. Every time they turn up before the committee responsible for screening budgets, it is always cut down and as a result they are unable to carry out, audits, inspections and investigate in order to prosecute as required to collect money outstanding due to the people of Papua New Guinea.

Treasurer, I would suggest that you bring these organisations in sit them down and listen to them. Let them get out there and perform their duties so that they can collect the monies that are due to this country, including those from the parasites that operate here and have grown very powerful, they have bought political stock and they do whatever they want in this country and they have essentially recolonized Papua New Guinea and they keep getting away with it and every September 16, we are waving the Flag of Papua New Guinea, claiming that we are an independent country, we are not and we continue to allow these parasites to operate in our economy.

20/04

Mr DOUGLAS TOMURIESA (Kiriwina-Goodenough) – Thank you, Mr Speaker. I also want to contribute to the Treasurer’s statement and I hope we can take note of some of the issues that were raised today.

I know that we only present the Supplementary Budget in September but October is just around the corner for the proper budget to be handed down. That’s why this Supplementary Budget has taken note of the windfalls that have come through. You have rightfully mentioned at times that when there is a fall in the economy, a supplementary budget must be brought forward and where there is a windfall a supplementary budget is also brought forward.

Mr Speaker, I’m glad to say that tough times calls for tough measures and during the time of Covid-19 and the war between Russia and Ukraine, we knew that we were going through a situation that was beyond our control, but adaptation is very important. We all know that Covid-19 is here to stay, whether it’s totally eradicated or it continues to remain. It is our duty as human beings created by God to adapt into situations. And so, we all know that Covid-19 is here to stay and people have begun to adapt to the situation and the guidelines in place. And then, all of a sudden, a war popped up and that is beyond our control as well. A few days ago, the Governor of East Sepik, spoke about the Taiwan situation with China, so wars are beyond our control. They will be here but it is the duty and responsibility of responsible governments to make certain that we take control of our economies, countries and people. And that is very important and so when I look at the Supplementary Budget that is put before us; firstly, I am thankful of the relief measures the Treasurer has put forward. I thank him for the allocation of K160 million subsidies being set aside for our people.

I started off by saying that tough times calls for tough measures. And I purposely mentioned this because the struggles that we went through in the past three to five years, are not new to this government or the previous government.

Let me at this juncture congratulate the Treasurer, that for the first time in your speeches during the Supplementary Budget, you refrained from calling names. You have taken control of your House now. And this is an achievement that everybody should see and you have forgotten about the past already and are taking full control of the House and economy now. Once again, I congratulate you for that.

Mr Speaker, with the K160 million to assist our people; our schools, students, parents and the allocation of K611 million for the household relief, these are huge amount of money allocated to assist our people. It's not hundreds of kinas, we are talking about millions of kinas being spent to subsidise education and to assist with household relief

Mr Speaker, one area we must consider as leaders of this House and we must take stock of is to must assist our people to begin to realise that these tough times are not here to go but to stay. Whatever DSIP funds or any funds we get; we must encourage our people to go back to the land. Nowadays, we see a lot of young men and women sitting doing nothing all day under the house, on the streets, even go to rivers and swim all day. And yet, Mr Speaker, coconut and coffee plantations are growing bushy and wild. We must erase this mentality of dependency on government and educate our people to re-focus by going back to the land. The mentality of laziness has crept into homes and has affected our young people. They depend too much on mummy and daddy putting food on the table. Instead of them getting out there and doing something.

Those of us who were educated back in the 70s and 80s can recall, we normally go to the coconut plantations and worked to pay our own school fees. But here, I see K160 million set aside for subsidy of school fees but if you go back to the villages there are plenty fish in the sea waiting for hook and saying where is the hook. Even the coconut plantations are growing wild, therefore we leaders must take stock and go out there and spend some of our DSIP funds to rehabilitate the coconut, cocoa and coffee plantations. Instead of people depending on us to pay every toea, instead of parents taking responsibilities themselves.

Mr Speaker, it brings me to the next point and I want the Minister for Education to take note. The Minister for Treasury has allocated K160 million to subsidise the school fees but its not realised at the school level on the ground. Minister for Education instruct all your officers in charge to go down and check the schools.

21/04

Why are funds not trickling down to the people? The government is making grand announcements here. The realisation is down there and our people must see that the government's announcements are realised.

Mr Speaker, I am happy that K160 million has been announced, but our people are waiting for the realisation. It must come to fruition. In the last Supplementary Budget, the Honourable Treasurer announced K600 million in household assistance. I visited some shops and I was

surprised that the price of ox & palm had jumped from K14 to K17, where was the household relief assistance? However, the Treasurer said that the changes in the prices would require some additional legislation.

If it is our oversight, we must not put false hope in our people. We must fix everything before we make announcements. We announced it six months ago and our people are still waiting and now we have announced that it will take effect in January. It will take us a while before this is realised.

Thirdly, my brothers and sisters, we have announced the threshold in the last Supplementary Budget that those who earn K17,000 and below will not be taxed. Now, we are increasing the threshold to K20,000. Will they continue to wait to see its realisation again? What is happening with our ALESCO payroll system? Will we continuing to wait for the relief measures that we have announced? Are the workers who work tirelessly still going to wait for those relief measures to take effect? And again, I am not blaming the government as governments are here to make announcements and policies. It is the responsibility of people down there to make certain that it becomes a reality.

Mr Speaker, I am pleased to hear some drop in the inflation from 9-10 per cent to 6.2 per cent. The GDP growth is looking good but it must be realised by our people. It must be translated to our people. Our people must see a drop in the inflation and growth of GDP. This will proof that my government is working. When I go into the shop, I see that the price of rice and sugar has dropped. When I look for a job, there is a job. And that brings me to my next point and that is, downstream processing.

Mr Speaker, I am so encouraged to see that Treasurer has included downstream processing in his Supplementary Budget speech today. Mr Speaker, downstream processing is a way forward for this country and I'm also encouraged to hear the new Minister for Forest addressed that in his answer to a question raised the other day.

Mr Speaker, we can talk downstream processing and Mr Treasurer can take note of that and continue to note that in your speeches in Budget after Budgets, but if we are very serious about downstream processing in this country, we have to begin to put the infrastructure in place for downstream processing. We must build factories. Budgets must be made available for us to build the infrastructures like roads to those areas that we want downstream processing to go to; for logging companies, wharves for fishing, the infrastructure has to be put in place.

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When we have the infrastructure in place, then we can announce to the world that we need investors to come in. They will be encouraged to come in because there are facilities already available for that purpose. Otherwise, we will tell them down stream processing and they will come in and spend two or three years building infrastructure while we wait for the impact of downstream processing. Therefore, Treasurer I take note of the points that you put in and I hope that you can take note of some of the points that we have raised.

Papua New Guinea is not a poor country, it is a country that is blessed more than any other country on the surface of this Earth and we thank God for that. We are blessed with all the resources, but it comes down to one thing and that is prudent management of our economy. As leaders in this Honorable House, must stand and fight this corruption. We are doing a lot of talking but we are responsible for this economy. It is not only the Treasurer's responsibility to manage the economy. Every minister seated on the other side, you are responsible for this economy, to make certain that your departments are performing to support the Treasurer. We in this House must take note that corruption has eaten every fabric of our systems. How do we get rid of those bad practices? It begins with some of us as leaders in this House. and when I talk about prudent management of our economy, it begins with all of us.

I'm thankful that the Treasurer has again seen the importance of paying our landowners. All landowners must be paid; Porgera landowners, the Hides Gas, logging companies, we owe people money.

Mr Speaker, my main concern is, we pay so much money to our people, but there is no visibility, no transparency, no accountability of those funds that are going to our people. It goes to our landowners that certain people become millionaires overnight and the people that the funds are meant for are still in the dark. They continue to suffer and so it is very important Mr Treasurer that whilst we are encouraged that money is going back to our people the landowners, the visibility, the transparency, the accountability of those funds must be noted. The funds must not only benefit only one or two, who come and live at Touaguba Hill, drive expensive vehicles, flying in and out when the very people out there are suffering. The benefit must go back to our people.

Mr Speaker, finally let me encourage the Treasurer through the Chari and Prime Minister to take note we have noted the struggle of our Forex, big companies like Coca Cola, Trukai and many other companies who depend on raw material to produce products here in the country. The waiting time has gone from days to weeks and now months. It has forced these companies to retire

some of their workers because of the waiting time, the price of goods has gone up because of the waiting time for Forex.

23/04

Mr Treasurer, through the Chair, I would like to ask some questions: how do you as a Treasurer and as a government, come up with measures to make certain that we stabilise the Forex from its continuous fluctuation? How do we pin it at some level so, that we can give comfort to our investors and the people who need the forex in the regular basis?

Mr Speaker, employment is one of our biggest hurdles in our country. Our employment rates have not gone up, but continue to drop. Mr Speaker, I would like to encourage the government that when we give very good statements and reports like this, we must follow up.

Finally, let me take this opportunity to thank the government from this report, two-thirds of the money, we have, goes to retirement of our debts, which is very encouraging. One-third of that goes to services. I think we should balance that in due course and hopefully when you table the Budget proper in November, it will reflect the repaying of debts but at the same time, funding must go to service delivery for our people.

Thank you, Mr Speaker.

Motion – That the question be now put – agreed to.

Motion – That the Bill be now read a second time – agreed to.

Bill read a second time.

Message from the Governor-General

A Message from His Excellency the Governor-General dated 2 September, 2022, recommending the expenditure of Public Monies in accordance with *Section 210* of the *Constitution* insofar as the bill relates to and provides for such expenditure

Third Reading

Leave granted to move the Third Reading forthwith.

Mr IAN LING-STUCKEY (Kavieng – Minister for Treasury) – I move –
That the bill be now read a third time.

Motion – That the question be now put – agreed to

Motion – That the bill be now read a third time – agreed to

Bill read a third time.

**EXCISE TARIFF (SUPPLEMENTARY BUDGET)
(AMENDMENT) BILL 2022**

First Reading

Bill presented by **Mr Ian Ling-Stuckey** and read a First Time.

Second Reading

Leave granted to move the Second Reading forthwith.

24/04

Mr IAN LING-STUCKEY (Kavieng-Minister for Treasury) – I move –
That the bill be now read a second time.

Mr Speaker, the Bill proposes an amendment to the *Excise Tariff Act 1956* to continue the exemption arrangement of the excise duty on diesel, petrol and zoom products. The proposal is to continue to address the high prices of fuel products and cost of goods and services that individuals, families and businesses are facing.

Mr Speaker, I commend the Bill.

Motion - That the question be now put - agreed to.

Motion - That the bill be now read a second time - agreed to.

Bill read a second time.

Message from the Governor-General

A Message from His Excellency the Governor-General dated 2 September, 2022, recommending the Expenditure of Public Monies in accordance with *Section 210* of the *Constitution* insofar as the Bill relates to and provides for such expenditure.

Third Reading

Leave granted to move the Third Reading forthwith.

Motion (by **Mr Ian Ling - Stuckey**) proposed –

That the bill be now read a third time.

Motion – That the question be now put – agreed to.

Motion – That the bill be now read a third time – agreed to.

Bill read a third time.

GOODS AND SERVICES TAX (SUPPLEMENTARY BUDGET) (AMENDMENT) BILL 2022

First Reading

Bill presented by **Mr Ian Ling-Stuckey** and read a First Time.

Second Reading

Leave granted to move the Second Reading forthwith

Mr IAN LING-STUCKEY (Minister for Treasury and Member for Kavieng Open) – I move –

That the Bill be now read a second time.

The Bill proposes amendments to the *Goods and Services Act 2003*, to firstly, extend the Goods and Services Tax Exemption for diesel, petrol, zoom and kerosene products applied to businesses and tax payers for another two months, starting from the 1 November 2022.

Secondly, these temporarily tax reliefs are to continue helping all individuals, families and businesses in response to the on-going high retail prices of fuel products that are currently absorbed by the public.

And thirdly, the relief will come into effect on 1 November and end 31 December, 2022.

Mr Speaker, I commend the Bill.

Motion – That the question be now put – agreed to.

Motion – That the bill be now read a second time – agreed to.

Bill read a second time.

Message from the Governor-General

A Message from His Excellency the Governor-General dated 2 September 2022, recommending the expenditure of Public Monies in accordance with *Section 210* of the *Constitution* insofar as the bill relates to and provides for such expenditure

Third Reading

Leave granted to move the Third Reading forthwith.

Motion – That the question be now put – agreed to.

Motion – That the bill be now read a third time – agreed to.

Bill read a third time.

25/04

Mr RAINBO PAITA (Finschhafen – Minister for Finance and Implementation) – Thank you, Mr Speaker. Before, I move the motion to appoint very important Chairmen with Deputy Chairmen and the Committee members, who will be working with the different Committee's that will be established in this Permanent Parliamentary Committees, I want to thank the Treasurer and the Government for funding the Committee work in the last three years.

In most Parliament before and probably in my last term of five-years, I have not seen Parliamentarian Committees being funded to actually do the work. In the last three years as Leader of Government Business I've seen money has been allocated for committees to actually get work done.

So, when we want to appoint the new committee members, I thank the government to elevate those positions, because sometimes we think that these are not important positions, when we become Chairman and Deputy Chairman. These are actually very powerful committees established by law, by the Constitution and by this House to assist in the work of government.

So, Mr Speaker, I thank the Government for its recognition to allocate the funding, so these committees can do the work and contribute to our endeavors as a government.

MOTION BY LEAVE

Mr RAINBO PAITA (Finschhafen – Minister for Finance and Implementation) – I ask leave of Parliament to move a motion without notice.

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

Motion (by **Mr Rainbo Paita**) agreed to –

That so much of the *Standing Orders* be suspended as would prevent me from moving motion in relation to appointment of Assistant Speakers and Members of various Permanent Parliamentary Committees thank you.

ASSISTANT SPEAKERS – APPOINTMENT OF MEMBERS

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with *Standing Order 14*, the following Members be appointed Assistant Speakers, Mr Akena Gamai, Mr Johnson Wapunai, Mr Casmiro Aia and Mr Kansol Kamdaru.

MOTION BY LEAVE

Mr RAINBO PAITA (Finschhafen – Minister for Finance and Implementation) – I ask leave of Parliament to move a motion without notice.

Leave granted.

CITIZENSHIP ADVISORY COMMITTEE – APPOINTMENT OF MEMBERS

Motion (by **Mr Rainbo Paita**) agreed to –

That pursuant to *Section 75, Sub section 2(a)*; Mr Toboi Yoto (Chairman) and Mr Graham Rumet would be appointed Deputy Chairman of the Citizenship Advisory Committee.

SPECIAL PARLIAMENTARY COMMITTEE ON THE 2022 GENERAL ELECTION – ESTABLISHMENT AND APPOINTMENT OF MEMBERS

Motion (by **Mr Rainbo Paita**) agreed to –

That: (1) Parliament Establishes a Special Parliamentary on the 2022 National General Elections.

(2) The Committee shall consist of eight to nine members appointed by Parliament at the quorum of the Committee shall be.

(3) And the members of the committee shall be: Mr Allan Bird (Chairman), Sir Puka Temu (Deputy Chairman), (Mr Robert Naguri, Mr Jacob Maki, Mr Charlie Benjamin, Mr Saki Soloma, Mr Steven Pim, Mr Elias Kapavore and Mr Keith Iduhu.

(4) The Committee shall inquire into and report on the conduct of the 2022 National General Election to its specific considerations to; (a) The powers, functions, and responsibilities of the Electoral Commission relating matters, (b) The process involved in the conduct of the General Elections with the focus on updating the Common Roll, campaigning, voting, counting, declarations, Disputed Returns process and related matters, (c) Expenditures of electoral funds and relate matters, (d) The security provided by the Royal Papua New Guinea Constabulary, Papua New Guinea Defence Force, Papua New Guinea Correctional Service and related matters.

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(5) The Committee also inquire into and report on any election related matters where the Committee considers appropriate.

(6) The Committee shall have powers to send to persons' papers and records and to meet from place to place to act.

PERMANENT PARLIAMENTARY COMMITTEE ON APPOINTMENTS – APPOINTMENT OF MEMBERS

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with *Standing Order 24 (b)*; Mr Philip Undialu (Chairman), Mr Tony Wouwou (Deputy Chairman), Mr Toboi Yoto, Mr Lohia Boe Samuel, Mr Noah Kool, Mr Sasindran Muthuvel and Mr Simon Kawi, be appointed members of the Permanent Parliamentary Committee on Appointments.

**PERMANENT PARLIAMENTARY COMMITTEES ON BROADCASTING OF
PARLIAMENTARY PROCEEDINGS – APPOINTMENT OF MEMBERS**

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with *Parliamentary Powers and Privileges Act, Chapter 24*, Mr Job Pomat (Speaker) ex-officio member as Chairman, Mr Gordon Wesley (Deputy Chairman), Mr Jacob Kop Maki and Mr Kansol Harwai Kamdaru, be appointed Members of the Permanent Parliamentary Committees on Broadcasting on Parliamentary Proceedings.

**PERMANENT PARLIAMENTARY COMMITTEE ON CONSTITUTIONAL LAWS,
ACTS AND SUBORDINATE LEGISLATIONS –
APPOINTMENT OF MEMBERS**

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with *Standing Orders 24 (c)*, Sir Peter Ipatas (Chairman) Mr Wai Rapa (Deputy Chairman), Mr Charlie Benjamin, Mr Simon Dumarinu, Mr Chris Haiveta, Mr Daniel Tindipu and Mr Agena Gamai, be appointed members of the *Permanent Parliamentary Committee on Constitutional Laws, Acts and Subordinates Legislations*.

**PERMANENT PARLIAMENTARY COMMITTEES ON CULTURE AND TOURISM –
APPOINTMENT OF MEMBERS**

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with *Section 118, Subsection 1(a)* of the *Constitution* establishes a Permanent Parliamentary Committee on Culture and Tourism, comprising of Mr Charlie Benjamin (Chairman), Mr Alexander Orme (Deputy Chairman), Mr Ereman ToBaining Junior, Mr Freddie Kumai, Mr Agena Gamai, Mr Maso Hewabi, Mr Jacob Kop Maki and Mr Anderson Mise. The functions of the Committee shall be to monitor and ensure that the Culture and Tourism Industry develop in accordance with guidelines and objectives established by relevant legislations (b) to monitor and promote the industry in consultation with other departments, provincial governments, local-level government bodies and other private organisations on the purpose of encouraging the development of this industry.

(c) to report in any other matter related to the industry that can be referred to the Parliament or the Minister

(d) to investigate and report on other related matters that considered appropriate.

PERMANENT PARLIAMENTARY COMMITTEES ON ECONOMIC AFFAIRS – APPOINTMENT OF MEMBERS

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with *Standing Order 24 (d)*, Ms Rufina Peter (Chairwoman), Mr Billy Joseph (Deputy Chairman), Mr Freddie Kumai, Mr Lucas Dekena, Mr Casmiro Aia, Mr John Kaupa and Mr Saki Soloma, be appointed members of the Permanent Parliamentary Committee on Economic Affairs.

PERMANENT PARLIAMENTARY COMMITTEES ON EMERGENCY – APPOINTMENT OF MEMBERS

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with *Emergency Committee Act*, Mr Maso Karipe (Chairman), Mr Marsh Narewec (Deputy Chairman), Mr Michael Marum, Mr Ramsey Pariwa, Mr Benjamin Mul, Mr Daniel Tindipu and Mr Maino Pano, be appointed members of the Permanent Parliamentary Committee on Emergency.

PERMANENT PARLIAMENTARY COMMITTEES ON FOREIGN AFFAIRS AND DEFENCE – APPOINTMENT OF MEMBERS

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with *Standing Orders 24 (e)*, Mr Belden Norman Namah (Chairman), Mr Toboi Yoto (Deputy Chairman), Mr Tony Wouwou, Mr Charlie Benjamin, Mr Gordon Wesley, Mr William Powi and Mr Chris Haiveta, be appointed members of the Permanent Parliamentary Committee on Foreign Affairs and Defence.

**PERMANENT PARLIAMENTARY COMMITTEES ON LAW AND ORDER –
APPOINTMENT OF MEMBERS**

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with *Standing Orders 24 (f)*, Mr William Bando (Chairman), Mr Elias Kapavore (Deputy Chairman), Mr Luther Wenge, Mr Billy Joseph, Mr Robert Naguri and Mr David Arore, be appointed members of the Permanent Parliamentary Committee on Law and Order.

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**PERMANENT PARLIAMENTARY COMMITTEE ON LEGISLATION –
APPOINTMENT OF MEMBERS**

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with *Standing Order 24 (a)*, Mr Job Pomat (Chairman) ex officio member, Mr Keith Iduhu (Deputy Chairman, Mr William Hagahuno, Mr Lohia Boe Samuel, Mr Robert Atiyafa, and Mr Lucas Dekena, be appointed members of the Permanent Parliamentary Committee on Legislation,

**PERMANENT PARLIAMENTARY COMMITTEE ON NATIONAL PARLIAMENT –
APPOINTMENT OF MEMBERS**

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with *Standing Order 21*, Mr Job Pomat (Chairman) ex officio member, Mr Michael Marum (Deputy Chairman), Mr Robert Naguri, Mr Charlie Benjamin, and Mr Toboi Yoto be appointed members of the Permanent Parliamentary Committee on National Parliament.

**PERMANENT PARLIAMENTARY COMMITTEE ON PENSION AND RETIREMENT
BENEFITS – ESTABLISHMENT AND APPOINTMENT OF MEMBERS**

Motion (by **Mr Rainbo Paita**) agreed to –

That, (a) Permanent Parliamentary Committee on Pension and Retirement Benefits be established pursuant to the *Provisions of Parliamentary Retirement Benefits Act 1997*, (b) That, Mr Chris Haiveta as

(Chairman), Mr Peter Ipatas (Deputy Chairman), Mr Sasindran Muthuvel, Mr Luther Wenge, Mr Charlie Benjamin, and Mr Robert Atiyafa be appointed members of this Committee. (c) The quorum of the Committee shall be three. (d) The Committee shall have the powers:

(1) To meet and when required, to ensure that the *Parliamentary Members Benefit Act 1997* is properly administered by the Board as established.

(2) Examine the provisions of the *Parliamentary Members Retirement Benefit Act 1997* to examine the intention of the motion passed on 14 August 1980 by the Parliament, and to decide any changes needed to be proposed; and

(3) To ensure that each National Election, the Parliamentary Members Retirement Benefit Board is ready to pay out monies to members retiring, or those who lose in the elections.

PERMANENT PARLIAMENTARY COMMITTEE ON PLANS AND ESTIMATES – ESTABLISHMENT AND APPOINTMENT OF MEMBERS

Motion (by **Mr Rainbo Paita**) agreed to –

(a) That a Permanent Parliamentary Committee on Plans and Estimates be established for the purposes of consulting with the National Executive Council, before any budget or appropriation is prepared for submission to the Parliament, in accordance with *Section 209(3)* of the *Constitution*;

(b) That Mr Joseph Yopyyopy be appointed Chairman, Mr Johnson Wapunai (Deputy Chairman), Mr Douglas Tomuriesa, Mr Wai Rapa, Mr Simon Kaiwi, Mr Benjamin Mul, and Mr Chris Haiveta be appointed members to the Committee.

PERMANENT PARLIAMENTARY COMMITTEE ON PRIVATE BUSINESS – APPOINTMENT OF MEMBERS

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with *Standing Order 22*, the following members be appointed to the Permanent Parliamentary Committee on Private Business, Mr Job Pomat (Chairman) ex-officio member, Mr Koni Iguan (Deputy Chairman) ex-officio member, Mr Philip Undialu, Mr William Powi, Mr Charlie Benjamin, Mr Toboi Yoto, and Mr Allan Bird.

**PERMANENT PARLIAMENTARY COMMITTEE ON PRIVILEGES –
APPOINTMENT OF MEMBERS**

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with *Standing Order 20*, the following members be appointed to the Permanent Parliamentary Committee on Privileges, Mr Charlie Benjamin (Chairman), Mr Casmiro Aia (Deputy Chairman), Mr Simon Dumarinu, Mr Jacob Maki, and Mr Chris Haiveta.

**PARLIAMENTARY COMMITTEE ON PUBLIC ACCOUNTS –
APPOINTMENT OF MEMBERS**

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with the *Public Finances (Management) Act 1995*, the following members be appointed to the Permanent Parliamentary Committee on Public Accounts, Mr Richard Masere (Chairman), Mr Freddie Kumai (Deputy Chairman), Mr Joseph Yopyyopy, Mr Benjamin Mul, Mr Douglas Tomuriesa, Mr Theo Pelgen, Dr Billy Joseph, Mr Lohia Boe Samuel, Mr Sam Basil Junior, Mr Francis Alua, Mr Casmiro Aia, Mr Jacob Maki, Mr Kevin Isifu, and Mr Maso Karipe.

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**PERMANENT PARLIAMENTARY COMMITTEE ON PUBLIC WORKS –
APPOINTMENT OF MEMBERS**

Motion (by **Mr Rainbo Paita**) agreed to –

That the following Members be appointed to the Committee, Mr Sam Basil Junior, Mr Steven Pim, Mr Billy Joseph, Mr Maino Pano, Mr Patrick Basa, Mr David Arore, Mr Benjamin Mul and Mr Francis Suine, be appointed members of the Permanent Parliamentary Committee on Public Works.

**PERMANENT PARLIAMENTARY COMMITTEE ON STANDING ORDERS –
APPOINTMENT OF MEMBERS**

Motion (by **Mr Rainbo Paita**) agreed to –

That in accordance with *Standing Orders 19*, Mr Job Pomat (Speaker) as ex-officio member, Mr Koni Iguan (Deputy Speaker) as ex-officio member, Mr Chris Havita, Mr Luther Wenge, Mr Allan Bird, Mr Garry Juffa, Mr Toboi Yoto, Mr Elias Kapavore and Mr Douglas Tomuriesa, be appointed members of the Permanent Parliamentary Committee on *Standing Orders*.

SPECIAL PARLIAMENTARY COMMITTEE ON PUBLIC SECTOR REFORM AND SERVICE DELIVERY – ESTABLISHMENT AND APPOINTMENT OF MEMBERS

Motion (by **Mr Rainbo Paita**) agreed to –

That: (1) The Parliament establishes Special Parliamentary Committee on Public Sector Reform and Service Delivery

(2) The Committee shall consist of eight members appointed by Parliament and the quorum of the Committee shall be three

(3) The members of the Committee shall be; Mr Garry Juffa (Chairman) continuing from the work he did, Mr Elias Kapavore (Deputy Chairman), Mr Allan Bird, Mr Marsh Narewec, Sir Peter Ipatas, Ms Rufina Peter and Mr William Powi.

(4) The Committee – (a) shall have powers for matters relating to Public Sector Reform generally, (b) shall deliberate on matters referred to the committees and; (c) shall investigate and report to Parliament on matters the committee considers appropriate.

(5) the Committee has power to appoint sub-committees consisting of two or more of its members and refer to sub-committees any of the matters which the committee is empowered to consider.

(6) the Committee has power to send for an examine persons, papers and records to move from place to place and to transact business in public or private sessions and to act during recess.

(7) the Chairman of the Committee or in his absence, a member of a committee may represent the committee on appropriate meetings including NEC Ministerial Committee, providing liaising between Parliament and the executive arm of Government relating to public sector.

(8) a member of the Committee may with an approval of the Speaker represent PNG at any Regional Forums.

(9) Research, survey and engage public service for review performs or public service and make findings of recommendation to the Minister for Public Service, NEC and the National Parliament.

(10) Any other finding that will contribute towards improvement of public service performance and productivity.

MOTION BY LEAVE

Mr WALTER SCHNAUBELT (Namatanai - Minister for Civil Aviation) – I ask leave of Parliament to respond to the series of questions raised by the Governor of Morobe, Honourable Luther Wenge in relation to the closure of Nabzab and Kiunga Airports yesterday.

Leave granted.

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ANSWERS TO PREVIOUS QUESTION

Mr WALTER SCHNAUBELT - Mr Speaker, let me now respond to the questions raised by the Honourable Governor on the 22 non-compliance of Nadzab and seven (7) non-compliance defects for Kiunga Airports.

Mr Speaker, the summary of findings of Audit No.21 NZ2207 on Nadzab Airport issued on 8 July 2022 are as follows:

(1) 139.5183 - There is insufficient personnel in rescue and firefighting service, aviation security safety, airport safety officers, grounds men, electrical and mechanical maintenance services,

(2) 139.77-Aircraft movement data has not been reported to Civil Aviation and Safety Authority (CASA),

(3) 139.912-There is no procedure established for controlling technical documents,

(4) 139.912II-There was an evidence of obsolete documents used during time of order,

(5) 139.93A-Nazab Airport safety management system is not established,

(6) 139.105H-The requirement of 72 stet hours restoration time for rescue and firefighting response capability is not stated in the exposition,

(7) 139.107A-An aeronautical study has not been conducted on the significant changes at the airport due to the Nadzab Airport development project currently on the way,

(8) 139.119A-The Nazab Airport exposition documents are required to be updated to reflect the changes due to the Nadzab Airport development project,

(9) 139.B.5A1–Runway through bearing is not promulgated in the aeronautical information publication (AIP) to the accuracy of one-hundredth of a degree,

(10) 139.B.5A4–Aircraft stands the designations and aircraft type designations are not promulgated in the aeronautical information publication,

(11) 139.B.5B–Geographical coordinates for both runways thresholds are not promulgated in the aeronautical information publication to the accuracy of a one-hundredth of a second,

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(12) 139. b.5d - Geographical coordinates of aircraft stands are not promulgated in the aeronautical information publication,

(13) 139. b.5e - Obstacle data is not promulgated in the aeronautical information publication,

(14)139. b.6f - Apron and taxiway pavement, classification numbers PCN are not promulgated in the aeronautical information publication in the full five code of PCN format,

(15) 139. b.7a - An altimeter check location is not established at the aerodrome,

(16) 139.b.11-Information on approach and runway lighting are not properly tabulated in AD3. 14 of the aeronautical information publication,

(17)139. c.1.1b-Runway surface friction levels are not measured and published in AIP,

(18)139.c.3.3-The total runway strip width does not meet the requirement of 280 meter but currently marked at 150 meter,

(19)139.i.1.3-Service levels agreement with organization able to provide specialist rescue services beyond the aero dome boundary are not established.

(20)139. i.5a-Checks on the availability of fire extinguish equipment during ground servicing of aircraft are not conducted.

(21) 139.7.2-The following Nadzab Airport senior persons have not been deemed fit and proper person. In accordance to the rule *Section 50* of the *Act* and these are;

- Managing Director and CEO
- Chief Operating Officer
- Executive Manager Safety Assurance and Regulatory Compliance
- General Manager Regional Airports
- Airport Operation Manager
- Senior Airport Safety Officer

- Airport Fire Chief
- Team Leader Aviation Security

All of these people are not fit and proper person.

For Kiunga Airport, there are seven defects:

(1) 139.72-Covers all those people who are not fit and proper person,

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(2) 139.A7D

(3) : ground vehicle standard procedure is established in the exposition but not implemented.

(3) 139.C1.1A: there is evidence of wheel nut visible on the repaired section of the runway.

I am talking about Kiunga Airport now.

(4) 139.I.9A: a fence or suitable barriers to prevent the entrance of animals and deter intruders into the property to prevent unauthorised people to enter airdrome is not provided at Kiunga Airport.

(5) 139. J.2D: runway surface for friction level for Kiunga Airport are not periodically measured.

(6) 139.93A: a safety management system for Kiunga Airport is not established and implemented.

(7) 139.95: a quality management system for Kiunga Airport is not established and implemented.

These are the seven defects that Kiunga Airport is facing. There are also rumours speculating, why didn't CASA not warn NAC? Let me give an example using a vehicle as NAC and its Board, and the driver as MD with the passengers as the management team. If the vehicle is unregistered and the driver's licence is also expired, and drives into a police road block, it is then a big problem.

Mr Belden Namah – Point of Order! It is a decorum of Parliament that the Minister must address his issue to the Chair. Thank you, Mr Speaker.

Mr WALTER SCHNAUBELT – In order for all of us to understand, I am using vehicle as an example. Unregistered vehicles are not allowed to drive on public roads. It will be a problem

if the police catches you. And if the driver's licence is expired at the same time, these two things will be a big threat to penalty charges. Once you are in trouble, it is your actions that will cost you because the authorities cannot direct you. You alone know when it is due and do the right thing.

Let me come to my point, the registration of National Airport Corporation (NAC) and MD has expired. That is the problem. Right now, there is no other way so, CASA PNG is looking at the penalty issues surrounding this matter.

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May, I also make it clear to the public that NEC made a decision to replace the NAC Board in July 2021 before my time. One of the board members, through the Managing Director, took NEC to court and was issued a stay order to install a new board. This is the current situation on the ground, which prevents me as the Minister responsible to change the Board.

May I also advice the public that as the Minister responsible, it is not my job to hire and fire the Managing Director of the NAC; that is the board's responsibility. On top it all, I cannot change the Board because there is a stay order by the Court. May I inform the House that just yesterday the Managing Director of the NAC got a stay order from the Courts to issue the Notice to Airmen (NOTAM) advice; it is on the closure of the airports because of the defects and non-compliance issues.

So, it now seems like a person without a driver's licence, driving an unregistered vehicle, is now taking CASA PNG to Court, and issues a stay order on the closure notice, thus allowing planes to land on Nadzab despite not having registration. Now, what authority does it have in this area? This is the problem we are facing. As the Minister responsible, I cannot pass the buck or blame anyone. I have inherited it and I will take it on.

On behalf of the Marape-Rosso Government, safety is our priority. As the Minister responsible, I don't have an excuse, it is my responsibility and I have to sort it out.

My focus now is to have the airport opened soon so everything can go back to normal. However, as I stand here before you all, I am sorry I cannot give you an exact date as to when these airports will be open again. There are stay orders in place and processes to be completed before I as the Minister, can see to the necessary changes.

Another big concern is the stay orders issued yesterday by Court, stopping the issuance of the NOTAM advice. When we checked the Court registry on these orders, we could not find anything.

Mr Bryan Kramer – Point of Order! With the highest respect to the Minister, if we delve in now on matters before the Court, on whether court orders have been issued or not, I'm just being mindful of the *Standing Orders*. We are now delving into process of Court orders. Just a guide to the Minister, so he can just go to the main point and we can adjourn.

Thank you, Mr Speaker.

Mr SPEAKER – Thank you, Minister, your Point of Order is in order. Mr Minister, when there is a matter before the Courts, the Parliament is abstained from addressing it.

Thank you.

Mr WALTER SCHNAUBELT – Thank you, Mr Speaker, May I just add here that the pressure is now on us as the country. The International Civil Aviation Organization could actually penalize CASA PNG which in turn will prevent us from accessing other international destinations that is the problem.

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I want to assure the public and the House that I will do everything within my powers as Minister, working together with the Prime Minister and the Deputy Prime Minister to find an amicable solution to this problem and we will try our best to resolve it as quickly as we can.

But my apologies, the vehicle is not registered, the driver is unlicensed and we have a problem.

Thank you for hearing.

APOLOGIES TO VISITORS – STATEMENT BY THE SPEAKER

Mr SPEAKER - Honourable Members, before I recognise the Leader of Government Business, I want to correct a mistake that I made in the morning. I stated that our special guests with us today were from Jiwaka but this is not so. They are from Jika-Panga Clan of Hagen District in Western Highlands Province.

These 40 men walked through the Kokoda Trail and are now seated with us here in the Chamber. I apologise for mistakenly announcing that were from Jiwaka but that is not so.

Thank you for accepting this correction.

Mr RAINBO PAITA – Mr Speaker, I wish to thank all the Members for attending this Parliament; Members on the Government side as well as those on the Opposition side. When I got the job as Leader of Government Business in the last Parliament, I stated that Parliament takes precedence over every other gathering we have. So, Members of Parliament, if we can attend the Parliament sittings, we are closely being watched by our people.

We were eager to represent them on the Floor of Parliament and nobody forced us. So, when opportunities like these arise where are able to meet and discuss, we must come and present ourselves before this honourable House where we are addressed as Honourable Members, that's the reason why we are here.

Mr Speaker, through you, I want to implore all honourable Members to get their priorities right. Other businesses must not interfere with Parliamentary obligations. If you have a trip or other businesses, they are subsidiary. Parliament must have precedence. When you are here, you are fully representing your people and when they talk about the country your people will not miss out on hearing it. When your ear hears it, your district and your provinces hear it too.

So, I want to thank the Members on this side as well as the Opposition Members who came and contributed to the debates.

Mr Speaker, we know that Independence is almost upon us, the money earmarked for DSIP has been released by the Treasurer through the Department of Finance to send to the all the districts, regardless of whether you are in the government or the Opposition.

An amount of K1 million has been released to all of us. It is an ongoing funding from the DSIP Programme to ensure that the good work we have started is completed. So, the budget and allocated funding should also be done the same to allow us to work together as a team in Parliament.

A question was raised on which I have to say that funding has already been released to both sides of the House. We've been fairly distributing funds in the last three years as a government and we will continue to do so. And as such, we disbursed these DSIP allocations to the districts already.

I wish you all the best in your Independence Programmes once we adjourn and go back and celebrate with our people. I wish you all the best in the true spirit of Independence in your Provinces when you go back.

Mr Douglas Tomuriesa – Point of Order! I don't want to complain or anything like that; I want to ask the Leader of Government Business and the Prime Minister, through the Chair, Independence is just two weeks away and BSP and the Ombudsman Commission are not allowing some accounts to be opened. The money will go into the accounts, how can the officers and Members access these funds?

So, please can you liaise with BSP and the Ombudsman Commission to lift the ban or stoppage so we can access the accounts to enable us to celebrate with our people?

Thank you, Mr Speaker.

Mr SPEAKER – Thank you, honourable Deputy Opposition Leader. I will rule your point of order out of order. This is not Question Time for you to seek answers. You have to go outside and consult the Minister and Prime Minister outside the Parliament.

Mr RAINBO PAITA – Thank you, Mr Speaker. Can the Deputy Opposition Leader see me after Parliament so we can sort out what these issues are with BSP and Ombudsman Commission are? But, I thank the Members, the Chair including the Deputy Chair.

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SPECIAL ADJOURNMENT

Motion (by **Mr Rainbo Paita**) agreed to –

That the Parliament at its rising adjourn until Tuesday 11 October, 2022 at 2p.m.

ADJOURNMENT

Motion (by **Mr Rainbo Paita**) agreed to –

That the Parliament do now adjourn.

The Parliament adjourned at 1:33 pm